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Chairman: Mr. Chowdhury ..... (Bangladesh)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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The meeting was called to order at 10.15 a.m.

Agenda Item 121: United Nations common system (*continued*) (A/52/30 and A/52/439; A/C.5/52/18)

1. **Mr. Soong Chull Shin** (Republic of Korea) said that the highest standards of efficiency, competence and integrity required of staff members under Article 101 of the Charter were even more important in the changed global environment. The best possible working conditions should be maintained, in order to ensure that staff members met those standards. The lack of understanding and cooperation between the International Civil Service Commission (ICSC) and the staff federations was a source of concern. The Commission should foster a constructive dialogue with the federations; the agreement on the establishment of the Working Group on the Consultative Process and Working Arrangements was therefore welcome.

2. His delegation agreed with the recommendation in paragraph 62 of the ICSC report (A/52/30), that there should be an increase of 3.1 per cent in the base/floor salary of staff in the Professional and higher categories. It also concurred with the Commission's position (para. 102), that it would have to make a further study of the question of the post adjustment index for Geneva. It was apparent from the report that ICSC had made significant efforts to maintain the consistency of the staff salary system. His delegation supported the recommendations in paragraphs 163 to 166 on the methodology for determining the education grant, and it would like the Commission to report to the General Assembly at its fifty-third session on the complicated question of standards of travel.

3. The Commission deserved commendation for its work on principles and guidelines on contractual arrangements for appointments of limited duration. However, that type of recruitment was appropriate only if it did not impair the international civil service and if due regard was paid to geographical distribution. With respect to the performance award system, at the initial stage non-monetary awards should be encouraged and the possibility of cash awards or bonuses explored at the second stage.

4. The best possible working environment for the staff could be created only if Member States worked together to achieve it: his delegation was prepared to make a constructive contribution to that undertaking.

5. **Mr. Ivashchenko** (Ukraine) said that his delegation commended ICSC on its work and thought that the staff federations should participate in that work within a format acceptable to Member States. It also supported most of the recommendations contained in the report.

6. With regard to the question of a composite post adjustment index for Geneva, it was necessary to ensure parity of purchasing power at all duty stations, for that was the core of the Noblemaire principle. His delegation was aware of the financial implications and the litigation which might result from a change and urged the Commission to provide a comprehensive analysis of the problem as soon as possible. It welcomed the recommendation for an adjustment of 3.1 per cent in the base/floor salary for staff in the Professional and higher categories, but was concerned about the questions raised by ICSC regarding the application of the Noblemaire principle. The proposal of the Consultative Committee on Administrative Questions (CCAQ) that the margin range should be revised to comply with the Noblemaire principle on the basis of a comparison of the United States and German civil service indices should be given due consideration.

7. It was regrettable that ICSC had so far failed to report on standards of travel and per diem as requested in resolution 51/465. The performance appraisal system and the system of awards or bonuses proposed by the Secretary-General were welcome, but management and staff must ensure greater transparency and continue their dialogue on the subject.

8. **Mr. Yamagiwa** (Japan) said that his delegation had long attached great importance to ICSC and had been dismayed to learn from its Chairman that it had not been consulted by the Secretary-General on his reform proposals.

9. It noted the Commission's forecast that the margin between the net remuneration of grades P-1 to D-2 in New York and that of the United States federal civil service in Washington, D.C., would be 115.7 for 1997. No one disputed that the staff of the United Nations must be highly qualified or that the Noblemaire principle was the basis for determining remuneration levels, but in an era of financial constraints every effort must be made to ensure that the staff in turn met the highest standards of efficiency, competence and integrity.

10. It was disappointing that it would be impossible to implement a composite post adjustment index in Geneva by 1 January 1998, but the Legal Counsel had endorsed the ICSC approach of proposing other alternatives. While his delegation acknowledged the Commission's view that the objectives of the Noblemaire and Flemming principles might produce an overlap between Professional and General Service salaries, it believed that the current overlap resulting from the application of the Flemming principle and the

methodology for the surveys of best prevailing conditions of employment could not be tolerated. His delegation therefore supported the ICSC decision that the public/non-profit sector should provide at least 25 per cent of the employers used in the surveys.

11. The new performance appraisal system was welcome. His delegation also supported performance awards or bonuses but concurred with the Commission's recommendation that such a system should be introduced only on a pilot basis and that merit increments should be discontinued in favour of lump-sum bonuses. The measures to be taken in respect of unsatisfactory performance were, however, the other side of the coin. The principles and guidelines on appointments of limited duration (annex XX of the report) were generally appropriate, but such appointments should not be made at the expense of staff performing core functions.

12. His delegation had noted the views of the United Nations Medical Director on travel standards, but supported the Commission's conclusion that the question should be left to the legislative/governing bodies of the organizations to sort out in consultation with their executive heads.

13. **Mr. Bel Hadj Amor** (Chairman of the International Civil Service Commission) said that he would not address some of the issues raised by the two staff federations because they did not fall within the mandate of ICSC, but were the responsibility of the local staff associations. With respect to the consultative process, he was pleased that members of the Fifth Committee shared the Commission's view that dialogue between ICSC and staff representative bodies must be restored and strengthened. In that spirit, he would not take issue with the misinterpretations and misrepresentations made to the Committee. He was pleased that arrangements for the Working Group on the Consultative Process and Working Arrangements were well under way, and looked forward to working frankly and constructively with the staff to resolve the current difficulties.

14. With respect to the Noblemaire principle, the results of the comparisons carried out to identify the highest-paid national civil service, which had shown in 1995 that the German civil service was higher paid than the United States federal civil service, had not significantly changed since that time, as noted in paragraph 54, subparagraph (c), of the Commission's report (A/52/30).

15. With respect to the base/floor salary scale, the recommended increase of 3.1 per cent with effect from 1 March 1998 would not change net remuneration levels because it would be offset by a corresponding decrease in post adjustment levels worldwide. Thus, the recommendation would have no impact on the margin. In general, three factors affected the level of the margin: changes in the net remuneration of the comparator civil service; changes in the net remuneration of United Nations staff in the Professional and higher categories in New York; and the cost-of-living differential between New York and Washington, D.C.

16. Although the Commission had determined that it was technically possible to establish a single post adjustment index for Geneva that would take into account prices in neighbouring areas of France, legal difficulties with that approach had been identified. In particular, he drew attention to the views of the United Nations Legal Counsel, which were contained in annex XIV of the Commission's report, and to the views of representatives of the Geneva-based organizations, which were contained in paragraphs 68 to 84. If the General Assembly decided to implement the composite post adjustment for Geneva, the organizations concerned should be requested to make the necessary changes in their respective staff rules, and should be given sufficient time to do so; otherwise, further inequities could result, which would be tantamount to a break-up of the common system. The cost-benefit analysis recommended by the Commission should help to shed more light on that complex matter.

17. With respect to the Commission's proposal that the survey methodology for the General Service and related categories should be revised, he recalled that the Commission's periodic surveys at headquarters duty stations were normally followed by a review of the methodology (generally at five-year intervals) which took into account the experience gained in the cycle of surveys just completed. With respect to the inclusion of national civil services in General Service surveys at headquarters duty stations, the Commission had decided, pursuant to General Assembly resolution 51/216, section II, paragraph 3, subparagraph (b), that at least 25 per cent of the employers surveyed should be in the public sector. However, national civil services would still have to meet the current selection criteria, which required, *inter alia*, structured job classification and salary systems. In accordance with its past practice, the Commission had established a Working Group, which had included representatives of the organizations, to review the General Service salary survey methodology and to report thereon to ICSC. That Working Group was completely unrelated to the Working Group on the Consultative Process and Working Arrangements, which would meet in January 1998.

18. The Commission's proposals concerning performance management, which was a key ingredient of the reform

process, provided, *inter alia*, for the introduction of fully performance-based pay in a selected agency or agencies on a pilot basis, in response to the request contained in paragraph 79 of General Assembly resolution 51/241. He hoped that the pragmatic, incremental approach proposed by ICSC would find favour with the Assembly.

19. The Commission's recommendation, in connection with standards of travel, that an upgrade to business class should be considered for flights of six or more hours' duration was based, *inter alia*, on the results of an analysis of the effects of travel on health which had been conducted by the Medical Directors of the organizations. The medical reports considered by the Commission would be circulated to the Committee members.

20. With respect to the nature of the Commission's contribution to the reform process, its main value added was not only its experience within the common system, but also its knowledge of current practices in the outside world, which had given it a wealth of expertise unlike that of any other organization. Although the Commission's resources did not match its virtually limitless potential to contribute, it was determined to act as a catalyst and enabler of the reform process. It had already developed, *inter alia*, more flexible contractual arrangements, performance recognition proposals and special occupational rates. Its current programme of work included review of the job classification system, development of an updated human resources management framework and development of tools for managing the common system's diverse workforce more effectively. Subject to the availability of resources, it hoped to introduce innovative and flexible approaches to staff exchanges both within the United Nations system and with outside employers. In general, it planned to focus on strategic policy formulation and the broad issues facing the common system, with a view to shaping the international civil service of the future. Lastly, ICSC stood ready to help the organizations implement reforms in the areas covered by its mandate.

The meeting rose at 11.05 a.m.